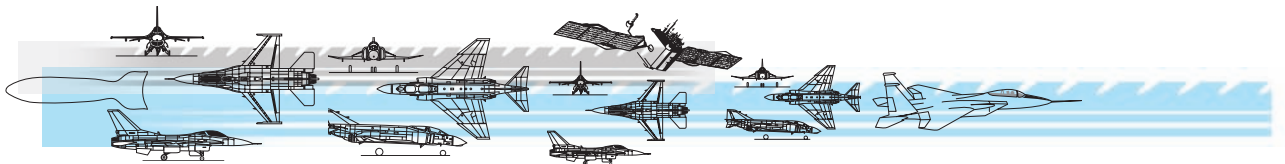


AIR FORCE CONTRACTING STRATEGIC PLAN FISCAL YEARS 2006-2007



Air Force Contracting Strategic Plan

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Foreword

“The Department’s leadership recognizes that continuing “business as usual” within the Department is not a viable option given the new strategic era and the internal and external challenges facing the U.S. military. Without change, the current defense program will only become more expensive to maintain over time, and it will forfeit many of the opportunities available to the United States today. Without transformation, the U.S. military will not be prepared to meet emerging challenges.”

— Secretary of Defense Donald H. Rumsfeld

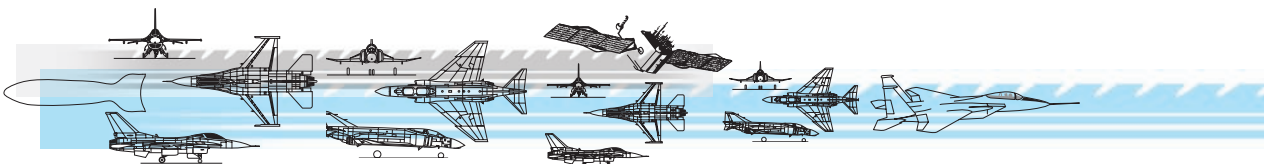
Over the past several years, the DoD and the AF have undergone significant warfighting and business transformations. Our country’s War on Terrorism requires that we all continue to provide our warfighters with world-class support. They deserve nothing less! Transformation will continue to take place as the Congress, DoD and AF leadership continue to support the move towards becoming expeditionary, agile and innovative.

We are currently implementing several strategic initiatives such as commodity councils, a pricing community of practice, Purchasing and Supply Chain Management, and a major re-write of our MAJCOM supplements. These types of initiatives better support warfighters and customers; meet warfighter/taxpayer financial expectations; improve our contracting processes, and cultivate development of our diverse workforce. There are even more strategic initiatives coming soon - the career roadmap, development of a common delivery of installation support, and a review of how we can better support our installations through different organization designs.

These strategic initiatives mark key milestones in our transformation journey; however, they should never replace innovation at the unit level. The environment we operate in today is significantly different than it was just five years ago. We live in an age of constantly changing technology and instant communications. Transformation at all levels will allow us to deliver agile business solutions to our forces. In order to thrive in this new and ever-changing environment, we must become:

- ▲ A knowledge-based, multi-skilled workforce providing innovative business solutions
- ▲ Adept at anticipating requirements
- ▲ Strategic sourcing experts


Our strategic plan outlines how we will shape future business strategies in our



transformation journey – how we will integrate initiatives, measure performance, and ultimately reach our vision. As we execute current initiatives and begin new ones, we will modify and refine our strategy. In this way, our plan is dynamic and will remain relevant as it reflects our accomplishments and the environment.

We shall do all of this while holding tightly to our Air Force core values, ethical business principles and responsibility as public trustees. You have my trust and respect for everything you have accomplished since 9/11. We have been at war ever since that time and it has tasked us to the limits. Keep up the fight!

Thank you in advance for the key role you play in our plan. With your help and support, we will turn this contracting strategic vision into reality.

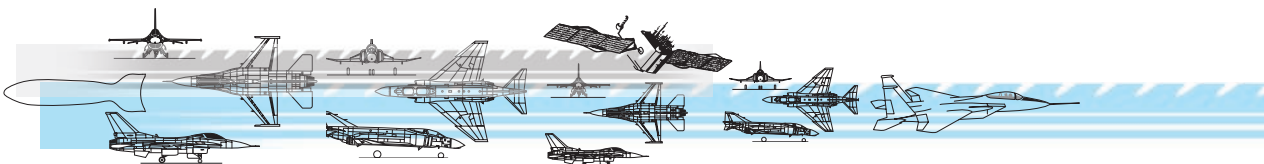


CHARLIE E. WILLIAMS, JR.
Deputy Assistant Secretary (Contracting)
Assistant Secretary (Acquisition)



AF CONTRACTING VISION

Agile sourcing
through innovative strategic solutions
developed by multi-skilled professionals
who anticipate and deliver warfighting capabilities.



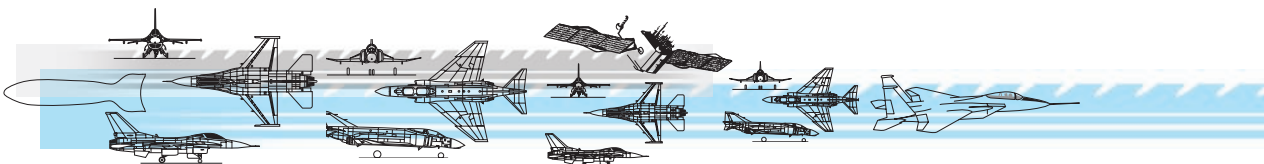
Executive Summary

As an Air Force (AF) Contracting Enterprise, we are comprised of professionally trained and educated contracting experts using processes focused on providing world class contracting support to a myriad of customers. In FY 2005, our workforce awarded over 175,000 contracting actions valued at almost \$55 billion. Our vision and objectives outline how we will continue to provide world class contracting support to our customers.

As contracting professionals, our mission is to *“Acquire and support warfighting capabilities through responsive business solutions.”* Our mission of ensuring that warfighters have the capabilities (e.g., goods, services, tools) they need when they need them to support the AF’s mission at home, abroad and while deployed is unchanged. However, our role has expanded to becoming strategic advisors who, working with other acquisition team members, provide timely business solutions at the point of need.

Our vision is *“Agile sourcing through innovative strategic solutions developed by multi-skilled professionals who anticipate and deliver warfighting capabilities”*. This vision shapes the way decisions are made that will impact the present and future of our enterprise. A breakdown of the vision follows:

- ▲ **Agile sourcing** is the ability to be adaptable and flexible, in order to quickly respond to new or changing requirements, by utilizing traditional and non-traditional contracting tools when providing goods and services.
- ▲ **Innovative strategic solutions** are enterprise wide plans, guidance and strategies that provide a basis for making everyday tactical decisions.
- ▲ **Developed by multi-skilled professionals** refers to the AF contracting workforce who have skills that cross traditional job boundaries and are able to quickly adapt to changing processes and technology.
- ▲ **Anticipate and deliver warfighting capabilities** describes the upfront work we must do to understand our customers’ needs therefore ensuring our Airmen have the capabilities necessary to complete their mission.



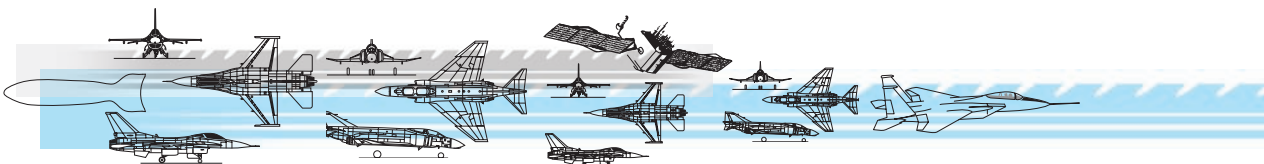
The Balanced Scorecard (BSC) methodology was used to define objectives within four business quadrants for our contracting enterprise. We will use the BSC to measure performance against the vision, mission and objectives. Objectives for each quadrant are:

- ▲ **Customer Objectives:** Provide fast, flexible and quality capabilities (Warfighter); and provide best value capabilities with integrity and competence (Taxpayer).
- ▲ **Financial Objectives:** Provide best value solutions that meet mission requirements (Warfighter); and achieve fair and reasonable price (Taxpayer).
- ▲ **Internal/Process Objective:** Improve operational efficiency; and improve operational effectiveness.
- ▲ **Force Development Objectives:** Cultivate an agile, multi-skilled, competent and satisfied workforce; and turn data into knowledge.

Your contracting leadership is committed to realizing goals and will actively monitor our progression towards achieving the vision.



OPERATION IRAQI FREEDOM – Kirkuck Regional Contracting Office with distinguished visitors.



1.0 Introduction and Purpose

The purpose of this strategic plan is to ensure that as an enterprise, we all support the same strategy and share that strategy with our customers. Our enterprise is comprised of professionally trained and educated contracting experts using processes focused on providing world class contracting support to a myriad of customers. This strategic plan identifies the mission, vision, and objectives that will allow us to identify, develop, improve and maintain the contracting people, process, policy and enabling capabilities of the present and for the future.

2.0 Contracting Overview

2.1 Mission and Vision Alignment

Our mission and vision are aligned with the AF's core values (integrity first, service before self, and excellence in all we do), the AF Expeditionary Air and Space Force vision, and the AF Acquisition vision. We also align with the Federal Acquisition Regulation (FAR) vision to deliver best value products and services "...while maintaining the public's trust and fulfilling public policy objectives". We take our responsibility to the public and to the greater AF very seriously and work tirelessly to maintain the highest standards of professionalism.

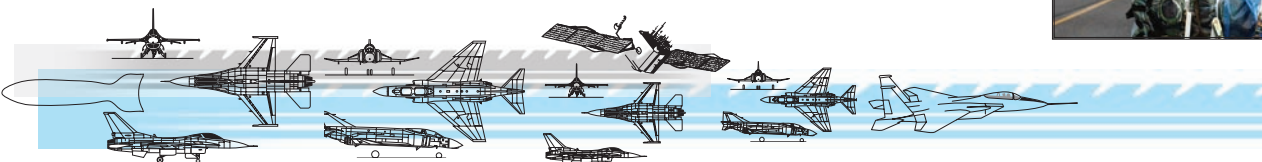
2.2 Mission

OUR AF CONTRACTING MISSION IS TO:

Acquire and support warfighting capabilities through responsive business solutions

Although, our primary mission has not changed, the breadth and depth of the mission and how we accomplish our mission has changed over the past several years. Our imperative is to ensure that the warfighters have the capabilities (e.g. goods, services, tools) they need when they need them to support the AF's mission at home, abroad and while deployed. Our role has expanded beyond writing and managing business arrangements to additionally becoming strategic advisors who, working with other acquisition team members, provide timely business solutions at the point of need.

OPERATION ENDURING FREEDOM – Numerous cargo pallets wait on the flightline for air transport on military and commercial cargo planes supporting Operation Enduring Freedom.



2.3 AF Contracting Environment

Our workforce consists of over 7,000 professionals who are responsible for billions of dollars in contracts annually. In FY 2005, our workforce awarded over 175,000 contracting actions valued at almost \$55 billion. Our ultimate customer is the warfighter. However, we work primarily with our direct customers who include warfighting commanders, wing, group, and squadron commanders, maintenance and supply personnel, civil engineers, and pilots. All our direct customers, including our very own deployed contingency contracting officers, are warfighters in today's expeditionary force. Our stakeholders consist of the Congress, the U.S. taxpayers and many others with varied interests in national security.

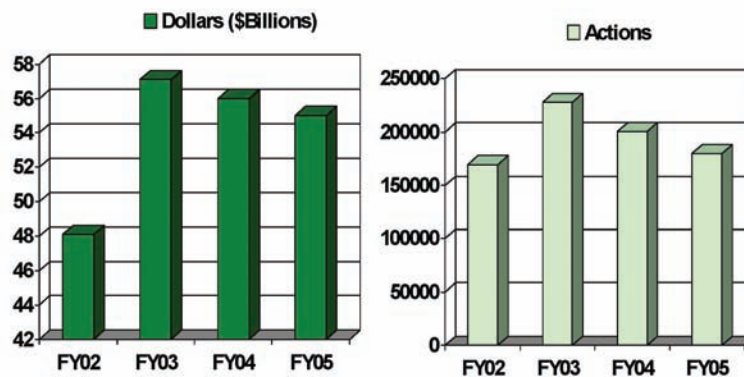
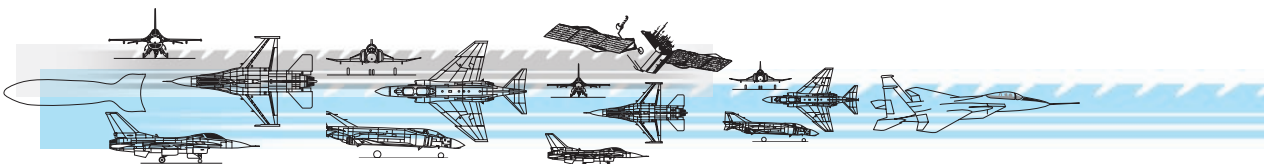


Figure A. Dollars and Actions (FY02-05) (Source: J001)

2.4 Governance

In December 2004, the Deputy Assistant Secretary (Contracting), Assistant Secretary (Acquisition) (SAF/AQC) chartered the Contracting Strategy Council (CSC). The CSC provides strategic vision and guidance on people, processes, policy, and enabling capabilities to SAF/AQC. Its membership includes senior leaders from representative MAJCOMs and Centers, as well as the Enlisted Policy Chief and the Military Assistant to the DAS. The CSC seeks input from subject matter experts and advisors to ensure that leadership has all of the information required to make smart and practical decisions. The CSC provides guidance and direction on strategic transformation initiatives supporting groups that include the Development Team (DT), Policy Implementation and Training Team (ITT) and the Functional Requirements Board (FRB). The CSC will stand-up other groups on a case by case basis to support unique council needs.



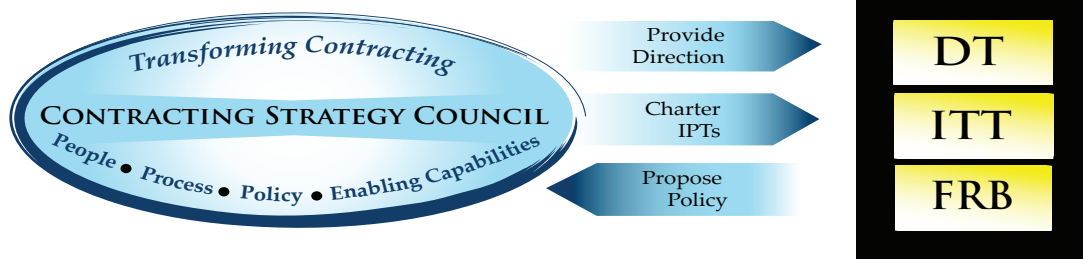


Figure B. Contracting Strategy Council Structure

3.0 Vision, Balanced Scorecard and Objectives

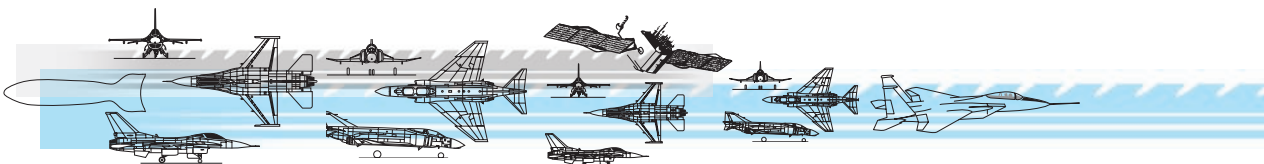
3.1 Vision

OUR AF CONTRACTING VISION IS:

Agile sourcing through innovative strategic solutions developed by multi-skilled professionals who anticipate and deliver warfighting capabilities.

This vision shapes the way we will make decisions about the future of the AF Contracting enterprise. To use it to drive behavior and actions, we must all understand its core meaning.

- ▲ **Agile sourcing** is the ability to adapt and exercise flexibility, in order to rapidly respond to new or changing requirements, by using a wide range of contracting tools when providing goods and services. These tools may include best value selections, simplified acquisition procedures, government purchase card, ordering from other existing Federal agency business arrangements, or some new and innovative method of connecting industry to the AF vision. As stewards of taxpayer dollars, we need to select the best means available to provide effective business solutions.



▲ **Innovative strategic solutions** are enterprise wide plans and guidance that provide a basis for making everyday tactical decisions. Innovation comes from strategically thinking about what we buy, how we buy it, and the purpose for buying it while ensuring that our AF Contracting Enterprise operates efficiently and effectively to the benefit of our customers. Our empowered AF Contracting workforce will apply sound business judgement and take educated risks to become more innovative. Underlying the vision is our need to cultivate a culture that actively embraces innovation and strategic thinking and seeks out strong, effective relationships with other acquisition team members.

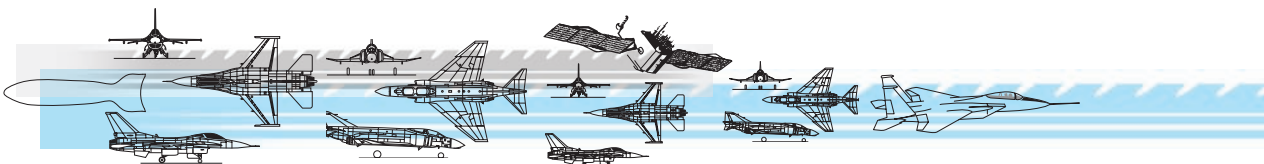
▲ **Developed by multi-skilled professionals** refers to the AF contracting workforce having skills that cross traditional job boundaries and are able to quickly adapt to changing processes and technology. Beyond the traditional Contracting skill set, our future core skill set will include the ability to:

- ❑ Develop up-front strategies and planning with all key stakeholders
- ❑ Manage strategy implementation and refinement
- ❑ Gather robust market research information
- ❑ Formulate sourcing strategies
- ❑ Manage relationships and provide business advice
- ❑ Effectively utilize e-business tools
- ❑ Understand the complete acquisition lifecycle
- ❑ Support the mission with superior customer support

▲ **Anticipate and deliver warfighting capabilities** describes the upfront work we must do to ensure Airmen have the capabilities necessary to complete their mission. We must not only be responsive but anticipatory and proactive regarding requirements. For example, AF Contracting personnel will use business intelligence to understand buying patterns and build demand plans.



OPERATION IRAQI FREEDOM – Sharing information on how to do business with the USA at an IRAQI Woman's Conference.



3.2 Balanced Scorecard

The purpose of a Balanced Scorecard (BSC) is to translate an organization's vision and strategy into a comprehensive set of performance measures, within a framework, for strategic measurement and management. One of the primary benefits of the BSC is that it helps focus an organization on what must be done to provide value for the customer. Typically, a BSC uses quadrants to develop an organization's objectives and measures. We will use a BSC approach to:

- ▲ Align vision and mission with customer requirements and day-to-day work
- ▲ Manage and evaluate strategy
- ▲ Monitor operation efficiency improvements
- ▲ Build organizational capacity
- ▲ Communicate progress to the workforce
- ▲ Measure financial and customer results, operations and organizational capacity

One of the primary benefits of the BSC is that it helps focus an organization on what must be done to provide value for the customer. Typically, a BSC uses quadrants to develop an organization's objectives and measures.

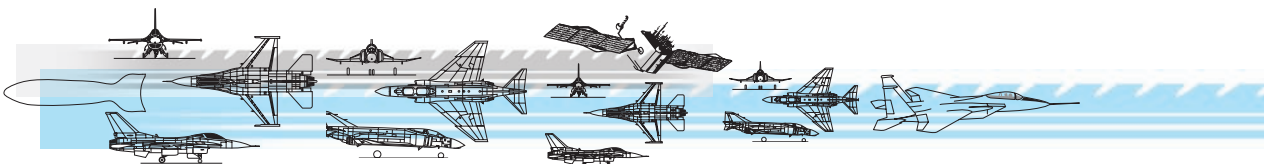
OPERATION IRAQI FREEDOM –
Air Force members ride a wing to create balance.



3.2.1 Balanced Scorecard Quadrants

The following quadrants were used to develop the AF Contracting Enterprise BSC. The questions with the identified quadrants were used to develop objectives aligned to each quadrant (figure C).

- 1 Customer:** What customer needs must the AF Contracting Enterprise serve? And how does the AF Contracting Enterprise ensure satisfaction?
- 2 Financial:** What budgetary goals must the AF Contracting Enterprise accomplish to satisfy stakeholders? How should the AF Contracting Enterprise drive budgetary responsibility?



- 3 Internal/Process:** In which business processes must the AF Contracting Enterprise excel? What strategic capabilities must the AF Contracting Enterprise build?
- 4 Force Development:** In order to achieve the AF Contracting vision, how must the AF Contracting organization learn and innovate? What skills will be necessary in the future? How will the career field broaden and sustain excellence?

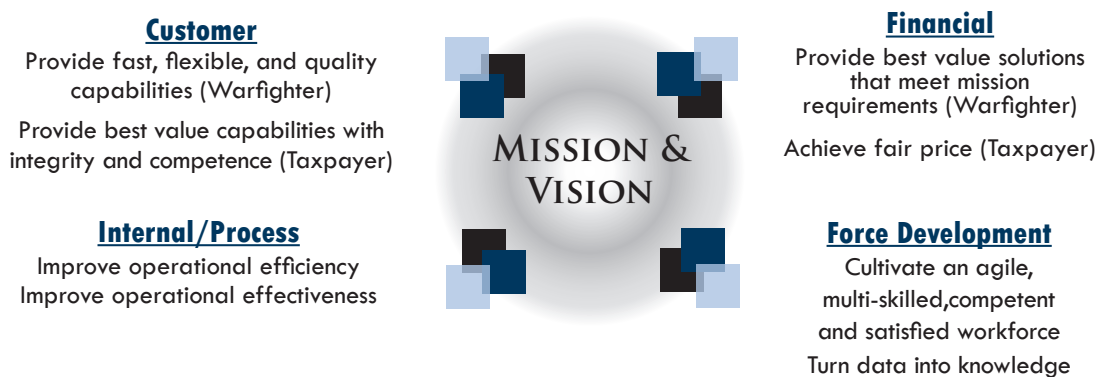
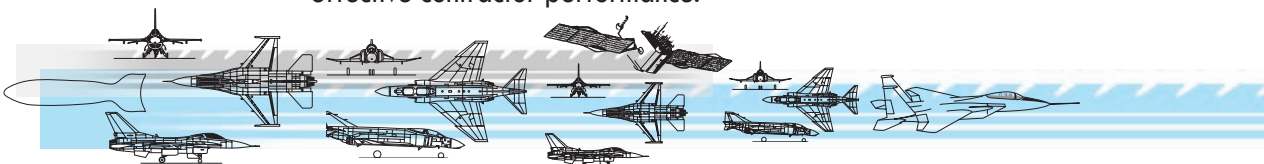


Figure C. AF Contracting Enterprise Balanced Scorecard Quadrants and Objectives

3.3 Objectives

3.3.1 Customer Objectives

- ▲ **Provide fast, flexible and quality capabilities (Warfighter)**
We must work with our customer on a continuing basis to anticipate requirements, understand their needs, and manage expectations. We must provide flexible business options that deliver warfighting capability at the right time, in the right place and in the right quantity.
- ▲ **Provide best value capabilities with integrity and competence (Taxpayer)**
We must demonstrate knowledge of the marketplace, competence and integrity to provide not only best value capability to the warfighter, but also accountability to the public. Continuing to build efficiencies into our processes will enable us to fulfill our fiduciary responsibility to the taxpayer by reducing transaction and acquisition costs while ensuring effective contractor performance.



3.3.2 Financial Objectives

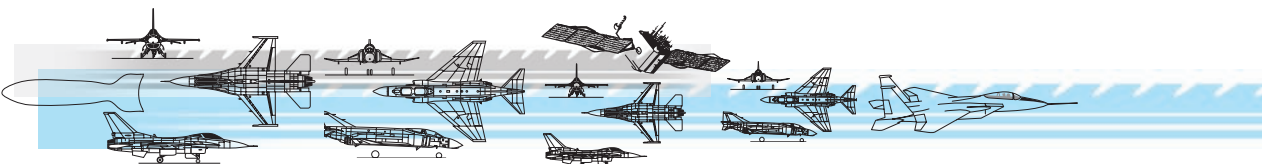
- ▲ **Provide best value solutions that meet mission requirements (Warfighter)**
We must balance budget constraints and customer requirements. To accomplish this, we will utilize innovative solutions such as strategic sourcing agreements and partnering with customers and suppliers. We are responsible for structuring cost effective business arrangements that are properly managed to ensure goods and services meet customer requirements.
- ▲ **Achieve fair price (Taxpayer)**
We must remain financial stewards by providing fair and reasonably priced business solutions. We will demonstrate competence and integrity by effectively managing the resources— those of Contracting, customers and taxpayers.

OPERATION IRAQI FREEDOM –
Inbedded Contingency Contracting Officer.



3.3.3 Internal/Process Objectives

- ▲ **Improve operational efficiency**
We must streamline processes to decrease the total amount of time it takes to meet customer needs by anticipating requirements, implementing business solutions to meet those requirements and being involved in the end-to-end acquisition process. Policies, processes, information technology and training will continue to be modernized and aligned to support operational efficiency.
- ▲ **Improve operational effectiveness**
We must develop an open, collaborative environment throughout the AF Contracting Enterprise with our customers and industry to maximize operational effectiveness. We will participate throughout the acquisition process and foster long-term relationships with customers and suppliers in order to anticipate and deliver requirements. As identified, we will reengineer processes to remove barriers to effectiveness and provide visibility of demands/requirements to stakeholders.



3.3.4 Force Development Objectives

- ▲ **Cultivate an agile, multi-skilled, competent and satisfied workforce**
The workforce will continue to realize success as our environment evolves. We are empowered to apply sound business judgement, analyze and manage risk in the execution of our responsibilities. Evaluation of recruitment, retention, and professional development activities will ensure that our workforce remains aligned with our vision and mission by developing multi-skilled professionals. We support a culture of continuous learning and professional development.
- ▲ **Turn data into knowledge**
A contracting knowledge-based workforce is able to quickly locate the resources (e.g. subject matter experts, regulations, policies, tools and training) needed to support their customer and is adept at analyzing business intelligence (e.g. forecast data, spend analysis, market research, trend data) that is used to make sound acquisition decisions.

4.0 Strategy Map

A Strategy Map is a diagram that describes how an organization creates value by connecting objectives in explicit cause-and-effect relationships across the four Balanced Scorecard quadrants. The relationships all begin at the force development foundation.

Integrity first... Service before self... Excellence in all we do

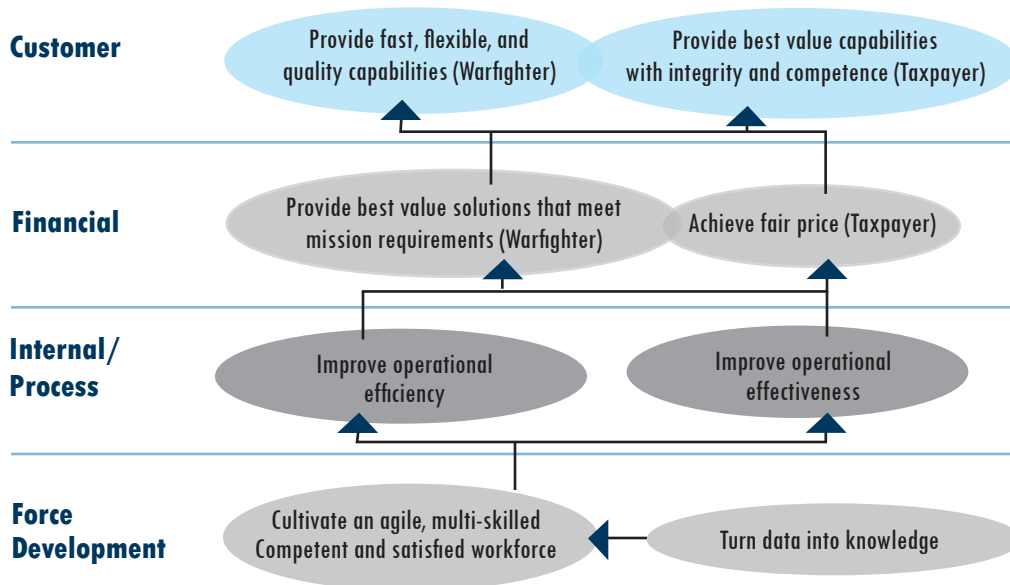
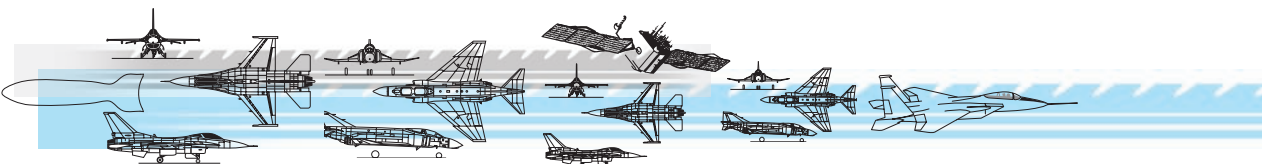


Figure D. AF Contracting Strategy Map





5.0 Integration

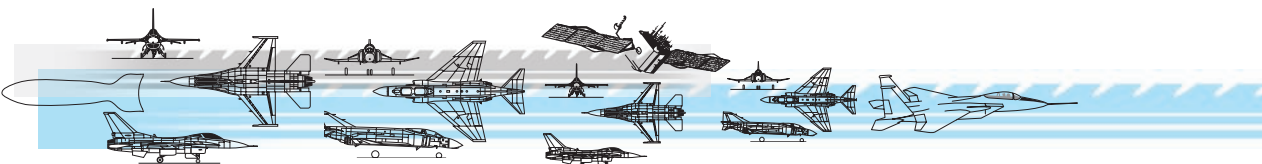
As an AF Contracting Enterprise, we operate in a fluid environment and must adapt to changing field and business conditions. Therefore, our processes and resources are integrated into the other AF and DoD Enterprises. For example, the Joint Contingency Contracting Review Team (JCCRT) is working to develop common processes and procedures for Contingency Contracting across the DoD. Another example is the AF Enterprise Architecture for Procurement (EAP), which is tied to the AF Acquisition Enterprise Architecture, the Logistic Enterprise Architecture (LogEA) and Purchasing and Supply Chain Management (PSCM) efforts. Likewise, at the DoD level, the EAP will be integrated with the Acquisition Domain Enterprise Architecture.

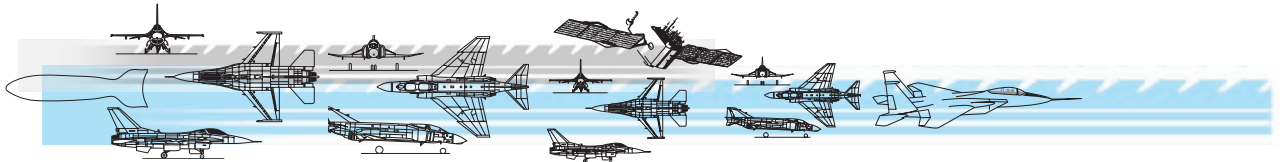
Integration with these and other efforts is a critical success factor for our AF Contracting Enterprise. We must ensure that we maintain integration and open lines of communications with all efforts that directly or indirectly impact our processes and workforce.

6.0 Implementation

We need to actively monitor our progression towards the vision and achieving the mission. Your leadership will measure and evaluate short, mid and long-term activities to ensure alignment with and support of the objectives. Examples of possible activities include creating standardized processes and templates for all MAJCOMs and implementing business systems. Information on these activities are available on the AF Contracting website and through various other communication vehicles.

The AF Contracting Enterprise is committed to [providing agile sourcing through innovative strategic solutions developed by multi-skilled professionals who anticipate and deliver warfighting capabilities](#). The implementation of this plan is critical to realizing this vision.





Appendix



AF	Air Force
BSC	Balanced Scorecard
CONS	Contracting Squadron
CSC	Contracting Strategy Council
DAS	Deputy Assistant Secretary
DoD	Department of Defense
DT	Development Team
EAP	Enterprise Architecture for Procurement
FAR	Federal Acquisition Regulation
FRB	Functional Requirements Board
ITT	Implementation and Training Team
JCCRT	Joint Contingency Contracting Review Team
LogEA	Logistic Enterprise Architecture
MAJCOM	Air Force Major Command
PSCM	Purchasing and Supply Chain Management
SAF/AQC	Deputy Assistant Secretary (Contracting), Assistant Secretary (Acquisition)



